

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE		PAGE OF PAGES 1 5		
2. AMENDMENT/MODIFICATION NO. MODIFICATION #FX-03			3. EFFECTIVE DATE SEE BLOCK 16C.		4. REQUISITION/PURCHASE REQ. No.		5. PROJECT No. (IF APPLICABLE)	
6. Issued By _____ Code _____			7. ADMINISTERED BY (If other than Item 6) _____ Code _____					
8. Name and Address of Contractor (No., street, county, State and ZIP Code)								9A. AMENDMENT OF SOLICITATION No.
								9B. DATED (SEE ITEM 11)
								10A. MODIFICATION OF CONTRACT/ORDER No.
								10B. DATED (SEE ITEM 13)
CODE _____				FACILITY CODE _____				
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS								
<input type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended <input type="checkbox"/> is not extended.								
Offer's must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:								
(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.								
12. ACCOUNTING AND APPROPRIATION DATA (If required)								
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.								
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.								
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).								
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: X 52.212(c) Contract Terms and Conditions - Commercial Items, Changes. FAR 43.103(a)(3)								
D. OTHER (Specify type of modification and authority)								
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return copies to the issuing office.								
14. DESCRIPTION OF MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)								
Refer to pages 2 - 5 of this document.								
Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.								
15A. NAME AND TITLE OF SIGNER (Type or print)				16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)				
15B. CONTRACTOR/OFFEROR				15C. DATE SIGNED		16B. UNITED STATES OF AMERICA		
(Signature of person authorized to sign)				(Signature of Contracting Officer)		16C. DATE SIGNED		

Block 14:

The above-numbered contract is hereby modified as set forth below to clarify policies and procedures for collection of the Industrial Funding Fee (IFF) and to reduce the amount of IFF from 1.0% to 0.75% of reported sales, effective January 1, 2004, until further notice.

- a. Effective January 1, 2004, the contractor shall adjust all pricing structures to reflect the new 0.75% IFF rate. Unit prices must be reduced by at least 0.25% and discounts must be increased so that the price is reduced at least 0.25%
- b. Orders placed prior to January 1, 2004 may be renegotiated at the option of the applicable buying agency and the contractor. This includes orders against Blanket Purchase Agreements (BPAs) as well as contract orders. For orders not renegotiated, existing pricing structures will remain in place until completion of the order, however the contractor will remit 0.75% IFF beginning January 1, 2004. BPAs may be renegotiated depending on the net or discounted pricing structure in place as of December 31, 2003.
- c. For leases executed prior to January 1, 2004, the contractor shall not be required to renegotiate prices as a result of the IFF change. Renegotiation may occur at the option of the applicable buying agency and the contractor. Leases executed on or after January 1, 2004, shall be at the IFF rate in effect at the time the lease originates.
- d. The IFF must be included within the contract prices. Effective January 1, 2004, contractors will collect 0.25% less IFF and remit to FSS 0.25% less IFF.
- e. The contractor agrees to update all applicable published prices, paper and electronic, in accordance with clause I-FSS-600 "Contract Price Lists" and other applicable clauses. (Note: Updates to GSA Advantage! pricing to reflect the IFF reduction cannot be made prior to January 1, 2004.)
- f. As consideration for costs incurred in complying with this contract modification, the contractor may continue to maintain approved prices including the 1% IFF for the period of October 1, 2003 through December 31, 2003 while remitting to FSS IFF payments of 0.75% of reported sales for the same period.
- g. For purposes of paragraph (a) of clause 552.238-75, Price Reductions, the price/discount relationship established between the negotiated prices, without consideration of the IFF, and those of the designated customer or class of customer, will remain unchanged.
- h. These clauses are hereby revised as follows:
 - (1) Delete 552.238-74 Contractor's Report of Sales and 552.238-76 Industrial Funding Fee in their entirety. 552.238-76 is now marked "Reserved." Replace 552.238-74 and 552.238-76 with the following clause:

(a) *Reporting of Federal Supply Schedule Sales.* The Contractor shall report all contract sales under this contract as follows:

(1) The Contractor shall accurately report the dollar value, in U.S. dollars and rounded to the nearest whole dollar, of all sales under this contract by calendar quarter (January 1-March 31, April 1-June 30, July 1-September 30, and October 1-December 31). The dollar value of a sale is the price paid by the Schedule user for products and services on a Schedule task or delivery order. The reported contract sales value shall include the Industrial Funding Fee (IFF). The Contractor shall maintain a consistent accounting method of sales reporting, based on the Contractor's established commercial accounting practice. The acceptable points at which sales may be reported include—

- (i) Receipt of order;
- (ii) Shipment or delivery, as applicable;
- (iii) Issuance of an invoice; or
- (iv) Payment.

(2) Contract sales shall be reported to FSS within 30 calendar days following the completion of each reporting quarter. The Contractor shall continue to furnish quarterly reports, including "zero" sales, through physical completion of the last outstanding task order or delivery order of the contract.

(3) Reportable sales under the contract are those resulting from sales of contract items to authorized users unless the purchase was conducted pursuant to a separate contracting authority such as a Governmentwide Acquisition Contract (GWAC); a separately awarded FAR Part 12, FAR Part 13, FAR Part 14, or FAR Part 15 procurement; or a non-FAR contract. Sales made to state and local governments under Cooperative Purchasing authority shall be counted as reportable sales for IFF purposes.

(4) The Contractor shall electronically report the quarterly dollar value of sales, including "zero" sales, by utilizing the automated reporting system at an Internet website designated by the General Services Administration (GSA)'s Federal Supply Service (FSS). Prior to using this automated system, the Contractor shall complete contract registration with the FSS Vendor Support Center (VSC). The website address, as well as registration instructions and reporting procedures, will be provided at the time of award. The Contractor shall report sales separately for each National Stock Number (NSN), Special Item Number (SIN), or sub-item.

(5) The Contractor shall convert the total value of sales made in foreign currency to U.S. dollars using the "Treasury Reporting Rates of Exchange" issued by the U.S. Department of Treasury, Financial Management Service. The Contractor shall use the issue of the Treasury report in effect on the last day of the calendar quarter. The report is available from—Financial Management Service, International Funds Branch, Telephone: (202) 874-7994, Internet: <http://www.fms.treas.gov/intn.html>.

(b) The Contractor shall remit the IFF at the rate set by GSA's FSS.

(1) The Contractor shall remit the IFF to FSS in U.S. dollars within 30 calendar days after the end of the reporting quarter; final payment shall be remitted within 30 days after physical completion of the last outstanding task order or delivery order of the contract.

(2) The IFF represents a percentage of the total quarterly sales reported. This percentage is set at the discretion of GSA's FSS. GSA's FSS has the unilateral right to change the percentage at any time, but not more than once per year. FSS will provide reasonable notice prior to the effective date of the change. The IFF reimburses FSS for the costs of operating the Federal Supply Schedules Program and recoups its operating costs from ordering activities. Offerors must include the IFF in their prices. The fee is included in the award price(s) and reflected in the total amount charged to ordering activities. FSS will post notice of the current IFF at <http://72a.fss.gsa.gov/> or successor website as appropriate.

(c) Within 60 days of award, an FSS representative will provide the Contractor with specific written procedural instructions on remitting the IFF. FSS reserves the unilateral right to change such instructions from time to time, following notification to the Contractor.

(d) Failure to remit the full amount of the IFF within 30 calendar days after the end of the applicable reporting period constitutes a contract debt to the United States Government under the terms of FAR Subpart 32.6. The Government may exercise all rights under the Debt Collection Improvement Act of 1996, including withholding or setting off payments and interest on the debt (see FAR clause 52.232-17, Interest). Should the Contractor fail to submit the required sales reports, falsify them, or fail to timely pay the IFF, this is sufficient cause for the Government to terminate the contract for cause.

(2) Delete from 552.212-71(b) Contract Terms and Conditions Applicable to GSA Acquisition of Commercial Items, clause 552.238-74 Contractor's Report of Sales and replace it with 552.238-74 Industrial Funding Fee and Sales Reporting

(3) Delete from 552.212-72 (b) Contract Terms and conditions Required to Implement Statutes or Executive Orders Applicable to GSA Acquisition of Commercial Items, clause 552.238-76 Industrial Funding Fee and replace it with 552.238-74 Industrial Funding Fee and Sales Reporting

(4) Delete 552.215-71 in its entirety and replace it with the following:

552.215-71 EXAMINATION OF RECORDS BY GSA (MULTIPLE AWARD SCHEDULE)
(AUG 1997)

The Contractor agrees that the Administrator of General Services or any duly authorized representative shall have access to and the right to examine any books, documents, papers and records of the Contractor involving transactions related to this contract for overbillings, billing errors, compliance with the Price Reduction clause and compliance with the Industrial Funding Fee and Sales Reporting clause of this contract. This authority shall expire 3 years after final payment. The basic contract and each option shall be treated as separate contracts for purposes of applying this clause.

(5) Delete I-FSS-40 and any deviation thereof in its entirety and replace it with the following:

I-FSS-40 CONTRACTOR TEAM ARRANGEMENTS (SEP 2000)

Contractors participating in contractor team arrangements must abide by all terms and conditions of their respective contracts. This includes compliance with Clauses 552.238-74, Industrial Funding Fee and Sales Reporting, i.e., each contractor (team member) must report sales and remit the IFF for all products and services provided under its individual contract.

(6) Delete I-FSS-106 and any deviation thereof in its entirety and replace it with the following:

I-FSS-106 GUARANTEED MINIMUM (OCT 2000)

The minimum that the Government agrees to order during the period of this contract is \$2,500. If the Contractor receives total orders for less than \$2,500 during the term of the contract, the Government will pay the difference between the amount ordered and \$2,500.

(a) Payment of any amount due under this clause shall be contingent upon the Contractor's timely submission of GSA Form 72A reports (see GSAR 552.238-74 "Industrial Funding Fee and Sales Reporting") during the period of the contract and receipt of the close-out sales report pursuant to GSAR 552.238-74.

(b) The guaranteed minimum applies only if the contract expires or contract cancellation is initiated by the Government. The guaranteed minimum does not apply if the contract is terminated for cause or if the contract is canceled at the request of the Contractor.

(7) Delete reference to 552.238-74 Contractor's Report of Sales and 552.238-76 Industrial Funding Fee contained in G-FSS-900-C Contract for Contract Administration and any deviation thereof and replace with 552.238-74 Industrial Funding Fee and Sales Reporting.

(8) If applicable to this contract, delete reference to 552.238-74, Contractor's Report of Sales contained in 552.238-79 Use of Federal Supply Schedule Contracts by Certain Entities – Cooperative Purchasing and replace with 552.238-74 Industrial Funding Fee and Sales Reporting.

i. The parties further agree that the consideration provided to the contractor in this modification (see, e.g., Blocks 14.c., f., above) operates as a complete equitable adjustment and/or complete satisfaction of any and all of contractor's costs or expenses for implementing and complying with this modification, and the contractor hereby releases the Government from any and all liability, demands, claims, actions, or disputes for any further or additional costs, adjustments, demands or claims by the contractor relating to performing pursuant to this modification, and/or any and all additional contractor adjustments, demands, IFF reductions, or claims attributable to, arising under, or in any way related to this modification.